

**Finance Committee
Special Meeting Minutes - March 17, 2016
Westmont Village Hall**

Call to Order: 7:31 pm - Trustee Guzzo

Pledge of Allegiance

Roll Call: Committee

Staff

Chair Trustee Guzzo	Manager Steve May
Mayor Gunter	Finance Director Spencer Parker
Clerk Szymiski	Director Ziegler
Trustee Addington	Fire Chief Dave Weiss
Trustee Liddle	Police Chief Mulhearn
Trustee Nero	DC Connolly
Trustee Barker	DC Riley
Trustee Barry	Director Liljeberg (booth)
	Director Forssberg

Minutes approved: The March 3, 2016 Regular Meeting Minutes were approved by a motion from Trustee Addington and a second by Trustee Liddle.

UNFINISHED BUSINESS: *none*

NEW BUSINESS: Item A

Manager May introduced Chief Weiss to discuss the Fire Truck Lease Agreement. Chief Weiss stated that the Fire Staff and Fleet Supervisor Viscuso have been steadily working with Global & Pierce. The original research of replacing the ladder truck with the demo truck at Global & Pierce, based on the special Public Safety meeting discussion, does not look to be a good fit for our needs. The mileage is of concern, as the vehicle is currently in California, making the vehicle 5-6 years of wear. The weight of equipment carried on our fire truck will make this vehicle overweight. While the price sounds to be a good value, upon research it did not hold up. The next used option is a vehicle in Aurora, IL. However, the modifications that vehicle would require and the fact that it would not be available until August brings the cost right to the spec cost of a new unit.

So today Chief is requesting the purchase of a Velocity tandem axle 105 foot ladder truck that matches our current engines, as a new vehicle it would have no mileage on it. We would be looking at delivery between January and March 2017. This would have a warranty, and it will have a Detroit Diesel that the Fleet Supervisor is requesting. The cabin matches our engine exactly, the demos did not have the safety features that this will have and a third more pumping capacity. There are outside storage features and the color will match our current fleet perfectly and not look as if it was from a different town.

We would like to move forward with ordering. The repairs are going forward with truck #1839, the safety requirements to put it back in service. We will continue to maintain this, until it costs more than \$10,000.00 a month. We are looking at doing a turn in lease of the new ladder truck, a seven or eight year lease. Meaning that we either purchase outright or turn back in the truck at the end of the lease, starting a new lease on a new model ordering the specifications during the last year of the lease.

Manager May remarked that with the our maintenance experience and the warranty option this seems to be a good fit. Chief has spoken with other departments that use the lease option, and Fleet Supervisor Viscuso is very interested in this bumper to bumper warranty due to the issues that we have had with the current ladder truck. Manager May stated that the current ladder truck has been an expense, however putting it back in service and repairing it is worth the cost for trade in and/or resale value.

Trustee Barry asked why Global & Pierce doesn't flatbed the demo truck and avoid putting the miles on it? Chief Weiss stated that the demo vehicle policy was non-negotiable, the policy is to drive it for 12,000 miles and stop at all the departments on the route to show it off as a demo. The demos are in high demand, and the price and terms are not negotiable. Moving from \$750,000.00 to \$900,000.00 in a matter of nine months.

Trustee Guzzo asked if the bumper to bumper lease was good for the whole term of the lease? Chief Weiss replied that the bumper to bumper is for the whole 7 year lease, not the last year of the 8 year lease if you choose that lease. Trustee Addington asked what the mileage factor of the lease? Chief Weiss responded that it was a limit of 10,000.00 miles a year, the current truck averages 3,500-4,000 miles a year.

Trustee Addington asked Director Parker what his opinion was on this matter? Finance Director Parker answered that he believed this was the right way to go for this vehicle. Manager May announced that this item would be on the March 31st agenda to be voted on. Trustee Guzzo inquired as to the effect this would have on the budgeting process. Director Parker stated it would be in the budget, where we report the amount that needs to be put to replace a vehicle. Trustee Guzzo asked if there needed to be any further discussion on this matter? No further discussion needed, It will move forward.

Item B

Manager May introduced the Employee Retirement Notice Incentives remarking on the discussion during the ERI of having retirees staggering their retirement dates so that it was not all at once. During the ERI this worked very well in succession planning. As lean as we operate currently, it would be beneficial to have notice of retirees for replacement planning in positions that are not obligated to give notice of retirement. The terms being discussed are 3 or 4 months notice and receive \$1,000.00 bonus after you have retired and fulfilled their obligations and trained their replacement. Mayor Gunter asked what the criteria would be? Manager May said that it could be designed to alleviate concerns of abuse: length of service, retirement age, length of notice. Currently we have an employee that kindly gave us the notice after we continually questioned the employee's intention.

Trustee Barry stated that he felt this was not necessary. HR should have an open dialogue with employees that are in a retirement position and we should not have to give someone \$2500.00 to tell us their leaving. Manager May replied that is the exact reason, employees considering retirement hesitate to give advanced notice, not wanting to be forced out. Legally the question cannot be forced to be answered. Trustee Barry remarked that it was a sweet deal, say you're retiring and get \$2500.00. Employers don't do that.

Director Parker commented that the amount discussed is \$1,000.00 not \$2,500.00 as was given to the ERI participants. Historically, the Village allowed an employee to collect their sick time payout up to 4 months giving the employee a higher pension. This however cost the Village a great deal of money in IMRF contributions. The last people that were allowed this benefit cost the Village over \$60,000.00 in additional costs. This was changed and the ERI incentive was then \$2500.00, a huge difference to the Village and also to the retiree. An incentive allows the village to confirm hiring a new person to be trained with no resident service interruptions.

Trustee Barry remarked that public perception is that government pensions are a sweet deal already and giving something extra is a public relations nightmare. Trustee Addington responded that IMRF is not like the teacher pensions that give out 110 - 120 % of the existing salary. The incentive is a tool enabling planning and budgeting. Clerk Szynski stated that a couple of years ago Deputy Clerk Kmak asked to retire with only two weeks notice, there is no way that another Deputy Clerk could be trained in only two weeks and it was a very difficult situation. Trustee Barry said that no other business or Village would do

this, and it is a waste of taxpayer dollars. Clerk Szymiski replied that other Village do have retirement incentives.

Trustee Barker asked if this could be something only for key positions? Chief Mulhearn discussed the difficulties in retiring police officers that do not want to commit too early, and the fact that a background check and testing of a police officer is a minimum of 6 weeks. This can put the department a man short; if this is in place it might only be \$1,000.00 but it might make a difference. The Police Department is always behind the eightball in having a complete 40 man squad, we have not been to full capacity in 8 years.

Trustee Barry said that if you think an officer is retiring and you do not start looking to replace them than that is on you. Chief Mulhearn replied that if the Commission begins the process with the psyche evaluation and the testing and then looks at the candidate and says, no we are not hiring; that does not make our department look very credible to applicants. Trustee Addington remarked on the cost of the testing and evaluations being very high. Trustee Barry said that if you start putting these types of programs in place it will take away from raises and equipment. You can't throw all these thousands around and not think that this is going to affect how things are run, than you are wrong. We are all looking for money in our departments.

Trustee Addington would like to see a list of key positions, based on Trustee Barkers suggestions. Think of Lynn at Fire, how would she be replaced in 2 weeks time and have a smooth transition that doesn't disrupt resident services? Or what about our more experienced police officers? Mayor Gunter stated that he had asked for a projection of employees at retirement age or with 25 years or 20 year criteria? The projection was 1 a year. Manager May remarked that it would not be like the ERI, it would be one or two a year; it can also be the value of the key or unique positions. This would keep us from scrambling to replace someone and give the benefit of having the long term employee train their replacement.

Mayor Gunter remarked to Trustee Barry that he had been in Public Service for 39 years and the pension is not on the same level as Teachers. Trustee Barry responded that public perception believes it is the case. Trustee Liddle stated that it was incumbent upon us to educate the people, rather than belabor the point that we need to give people an opportunity. Trustee Nero would like to know what the IMRF stats are; Mayor Gunter replied that the average IMRF pension salary is \$33,000.00 a year, now that's the median average so there are some at \$15,000.00 and some at \$60,000.00. Trustee Barry stated that a good employee, such as Lynn Dralle, wouldn't retire without notice. So you are throwing money away on bad employees. Manager May stated that he believed Lynn Dralle has changed her retirement projection more than once already.

Trustee Barker asked Chief Mulhearn if all Police Departments have the same length of process to hire? Chief said that we do an outstanding job of the background check, some might only check fingerprints. Trustee Barker asked if we do something extreme? Chief Mulhearn said we do not do anything extreme. If we could get 6 months notice for \$1,000.00 it would make all the difference in the Police Department. In that amount of time we can get someone hired and to the academy and back. Trustee Barry said look at how many we lose right off the bat even after all that testing and vetting. Chief Mulhearn said you can't test for reaction time, decision making common sense.

Mayor Gunter asked that staff put together a proposal with length of time, key positions, and other criteria it would help to determine what would be best. Trustee Guzzo asked if this should be unfinished business on our next agenda for Finance? Manager May replied that we would put together a plan based on the feedback and present it at the next meeting.

Item C

Manager May introduced the Economic Development Incentive Policy, stating it is really a discussion. The TIF District is designed to assist in making a property more marketable. This is being developed for those areas. What about the problem places that are not within the TIF district? We can't help or even discuss

solutions when we do not know what your opinion is on . An obvious area is Blackhawk and Ogden, we can move towards anything as we have never gotten feedback from the Board regarding throwing a carrot out.

Jill and Larry try to find buyers for properties, speak to people all the time but there are often different types of obstacles and different incentives that can be discussed: the stormwater management program, special service areas, sales tax rebates, property tax, police and fire protection districts. Trustee Barry stated that those are a lot of incentives. Manager May said that they are and we have never gotten into incentives. Everyone is familiar with the properties that have been vacant for years. If we want to reach out and inspire or help having these properties moved with economic development we would like to know what the board believes the parameters are for assistance.

Trustee Nero brought 2 ideas: 1st - do nothing let the developer ask, saying the board is one that is proactive and would be willing to listen to everything or do you throw out ideas that they might not even be thinking of? The fear is a program might handcuff us sometimes. Manager May stated that a program wasn't what we were looking for, rather some direction. Trustee Barry said that this all stems from Blackhawk and Ogden and nothing needs to be done for that location. Until we see more growth in the south and central TIF we are not going to pour out financial incentives at this point. Trustee Nero said that doesn't mean you are not going to listen to the developer's request.

Mayor Gunter said that we have indirectly assisted developers when we are purchasing stormwater parcels. If the stormwater can be mitigated, the surrounding parcels have value. Executive Director Forssberg reported that a project is looked at as a whole as to what is the benefit to the Village and how do we work together. The Ogden Avenue corridor is strong and does not need incentives. We do have some unique situations, the one property in discussion is such that we need some guidance so that an interested party is not stalled at the board level after a lot of time and money; this puts a black mark on us to developers or interested businesses. We are not looking for a broad brush; projects have been given incentives historically be it Mariano's, Vincitori's, or downtown facade grants. Right now, we would like direction as to what is practical.

Trustee Liddle asked if there was something specific? Executive Director Forssberg stated that the discussion of the various ideas that Manager May brought up and other possibilities. Each project has to be looked at with the property owner and the developer; costs tied out to benefits to the Village, the revenues expected, and bringing property values up over a period of time.

Trustee Addington commented that 25 years ago Villa Park gave Walmart 5 years of sales tax return to put the store in on Rt 83. Critics claimed that they gave the Village away, yet think of the sales tax revenue that Villa Park has received in the last 20 years. Trustee Barry said that the Village of Downers Grove did 2 years tax free to the Burpee Seed Company and they only operated 2 years and went back to catalog only - you have to be careful with these things.

Director Forssberg explained that we are in a very unique position in that we have not needed to do this before, while other village have done incentives more regularly. Director Ziegler assured everyone that opening the door wide to everything and anything was not what staff was interested in doing as that would make for a great waste of time fending off the non-productive calls; we would like more of a guideline. Mayor Gunter commented that sales tax was not the only incentive; stormwater, village property, and such.

Trustee Barker would like a list of properties that need incentives and a recommendation as to what incentive would be appropriate for that property. Director Forssberg stated that each property owner/developer is going to have a unique need; not the property. The agreement needs to be mutual beneficial in the unique situation to the owner and the developer and the Village. Manager May commented that a list with addresses and incentives would be a public document and could be interpreted as agreement.

Trustee Barry said that unless something was the equivalent to Mariano's in a TIF district than we would have to look for further incentives. Trustee Addington added that it could be a problem property, taking each one individually. Executive Director Forssberg acknowledged that each was individual and it was all subject to Board approval. Manager May assured everyone that the Mayor was included in all Economic Development discussions and the Board would be kept abreast of all projects under discussion.

Trustee Barry asked that each board member find a way to make money or save money for the next meeting as all we ever talked about was giving money away. Trustee Nero reminded everyone that it was Budget Workshop time so get your ideas ready. Mayor Gunter reminded everyone that it takes spending money to make money, and that this board inherited all the budget cuts caused by the economic crisis so we need to get back up to speed. Trustee Barry stated that what do we care if something sits empty for the next twenty years? Mayor remarked that it is part of a loss of revenue stream.

Motion from Trustee Barry to adjourn, seconded by Trustee Addington - all ayes

Adjourn: 7:46pm